

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

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In re	: Chapter 9
	:
CITY OF DETROIT, MICHIGAN,	: Case No. 13-53846
	:
Debtor.	: Hon. Steven W. Rhodes
	:
-----X	:

**DECLARATION OF GEOFFREY S. STEWART**

I, Geoffrey S. Stewart, declare under penalty of perjury pursuant to 28 U.S.C. § 1746, as follows:

1. I am a Partner at Jones Day, which currently serves as restructuring counsel for the City of Detroit, the debtor in the above-captioned chapter 9 case.
2. On May 23, 2014, I caused to be transmitted to Stephen D. Lerner, counsel for Court-appointed expert Martha E. M. Kopacz, the letter attached to this Declaration as Exhibit A.
3. The letter attached to this Declaration as Exhibit A is a true and correct copy of the letter transmitted to Mr. Lerner.

I, the undersigned, declare under penalty of perjury that the foregoing is true and correct.

Executed on May 23, 2014

By: /s/ Geoffrey S. Stewart  
Geoffrey S. Stewart  
Partner  
JONES DAY

Respectfully submitted,

Dated: May 23, 2014

/s/ Heather Lennox

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ATTORNEYS FOR THE CITY OF DETROIT

**EXHIBIT A**

# JONES DAY

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JP306307

May 23, 2014

Stephen D. Lerner  
Squire Sanders (US) LLP  
221 East Fourth Street  
Suite 2900  
Cincinnati, Ohio 45202  
stephen.lerner@squiresanders.com

Re: In re City of Detroit, Michigan, Chapter 9 Case No. 13-53846

Dear Stephen:

I am writing in response to your letter of this date to Judge Rhodes. Your letter is surprising to us, since it was filed 45 minutes after Ernst & Young's principal on the Detroit engagement, Gaurav Malhotra, spoke to your client and corrected some of the misunderstandings reflected in your letter. In addition, it appears that you may not have been aware when you sent your letter of the details of proceedings before Judge Rhodes in yesterday's status conference.

1. First, Ernst & Young ("EY") agreed some time ago to produce to your client (and also to the other parties in the case) the "fully functioning" financial models EY had prepared in connection with its work. We reiterated that commitment at yesterday's hearing and, in fact, produced those models to your client earlier today. The reason for the delay in producing the models was that they contain formulae and calculations that related to work EY had done to support the City's settlement negotiations with creditors, which were privileged. As a result, EY was required to undertake the process of removing this privileged material from its financial models, which it completed yesterday.

2. In the meantime, EY provided your client with versions of the model, in Excel spreadsheet form, that substituted "pasted" values for the privileged information in question. Although this may not have been ideal, it was intended to allow your client to begin its work while EY completed its redaction of privileged material from the overall model.

3. I do not believe that EY has been uncooperative. Since April 24, EY has posted 43 files to the data room in response to Phoenix' requests, representatives of EY have had eight meetings with your client, and EY has complied with numerous verbal requests to provide information or explain particular items to Phoenix. EY has done so despite its commitments to

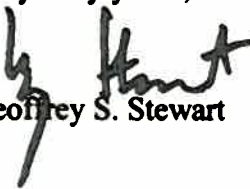
Stephen D. Lerner  
May 23, 2014  
Page 2

complete other projects for the City, and it has given Phoenix more favorable treatment than it has given to representatives of bondholders, unions, and other creditors of the City.

4. EY remains prepared to discuss issues related to the restructuring and reinvestment initiatives with your client at your convenience and to provide and documents or information it needs. I understand that Ms. Kopacz suggested a meeting this next Wednesday, May 29, which EY has accepted.

I would suggest in the future that you contact me with these issues if and when they arise. Although some misunderstandings are inevitable in a large case like this one, there is no reason counsel cannot resolve them.

Very truly yours,



Geoffrey S. Stewart

cc: The Honorable Steve W. Rhodes  
United States Bankruptcy Court  
Eastern District of Michigan  
Southern Division  
211 W. Fort Street  
Suite 1800  
Detroit, Michigan 48226

**CERTIFICATE OF SERVICE**

I, Heather Lennox, hereby certify that the foregoing DECLARATION OF GEOFFREY S. STEWART was filed and served via the Court's electronic case filing and noticing system on this 23rd day of May, 2014.

/s/ Heather Lennox

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Heather Lennox